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W. E. HUTTON & CO.

ESTABLISHED 1886

THE MAXWELL REPORT

(A Statistical Survey Of The Cigarette Industry)

1962 45 packings

Year 1962-63

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January, 1964

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possible recommendations for action would extend beyond the health field and into the purview and competence of other Federal agencies." Surgeon General Terry now says there will be no such second phase. The importance of this second phase may be realized when it is considered that the basis of the Terry Report evolved mainly from a re-calculation of seven statistical surveys sponsored by various agencies. The word statistical is important because the advisory committee was composed of eight doctors, one chemist and only one statistician. The conclusion of the Committee that smoking was harmful came for the most part from statistical studies. But in fact, no professional statistical source has issued any judgment on the statistics considered by either this Report or the 1962 British report by the Royal College of Physicians. This writer has no knowledge that any society such as the American Statistical Association or any such society has ever judged the statistics about smoking.

It is not generally reported that the Terry Committee considered only surveys and research done previously and did no original research of its own. The conclusions that cigarettes were a cause of lung cancer, cancer of the larynx and chronic bronchitis (and these, contrary to popular opinion, are the only diseases claimed by the Committee as having a causal relationship to cigarette smoking) derived mainly from statistical evidence. The supposed "cancer agent" in tobacco has never been discovered the Committee says. On this basis, one could therefore suppose that the statistical evidence supporting this contention would be thorough and scientifically presented.

This evidently is not the case. Alan S. Donnahue, the Executive Vice President and Assistant Publisher of the Richmond Times-Dispatch and News Leader, has done an analysis of the inconsistencies and contradictions in the Report --

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drawing upon the Report's own discussion. Donnahue's competence is that he has published articles in statistical and other professional journals, lectured on statistics at the University of Richmond, served on the advisory committees on the U. S. Bureau of the Census, U. S. Bureau of Labor Statistics and the American Statistical Association. He relies partly on the Report itself, which says:

(1). "In the two American Cancer Society studies, it is not possible to present meaningful percentages, since each research volunteer selected her own small part of the study population from among her own acquaintances." and

(2). "In all five studies that had a clearly defined target population, sizable proportions of the population were omitted. The major reason was failure to answer the questionnaire; in addition, certain replies were rejected as too incomplete." This lack of response to these five studies was 15, 32, 32, 43 and 44 percent.

Mr. Donnahue points out that "... when we consider both of these factors: (1) the fact that respondents were selected on a haphazard or volunteer basis, and hence were not representative of any known population; and (2) the large percentage of non-response encountered -- the result is a statistical melange of unknown and unknowable reliability."

He indicates that, "This may account for some of the strange and unexplainable results produced by these surveys. In most instances, for example, the mortality rate after adjustment for age is far below the national average, not only for non-smokers, but often for heavy cigarette smokers as well. In three of the seven studies, the age-adjusted mortality rate of heavy cigarette smokers was lower than the average for all males in the United States population, and in one

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survey, was almost 30 per cent lower than the national average."

Continuing, Mr. Donnahue says, "The Committee comments on this as follows: 'It is clear that the seven.... studies involve populations which are healthier than United States males as a whole. Secondly, the low death rates for non-smokers suggest the possibility that the studies recruited unusually healthy groups of non-smokers."

The Committee evidently agrees to some extent with Mr. Donnahue, for it indicates on page 20 of the Report, "Statistical methods cannot establish proof of a causal relationship in an association. The causal significance of an association is a matter of judgment which goes beyond any statement of statistical probability (underlines author's)." However, the F.T.C. proposed immediate "remedial" actions without consideration of other facts. Possibly John W. Tukey's characterization of a statistician as "a man who draws straight lines from insufficient data to foregone conclusions" is valid here.

Other data, favorable to the tobacco industry which was depreciated by the Committee, includes the fact that countries having lower per capita consumption of cigarettes than the United States have higher incidence of lung cancer. Why? Could it be that our longer life expectancy in relation to some other countries may have some relationship? As to the supposed major actual increase in lung cancer in recent years, it is difficult to document. R. A. Willis, an eminent pathologist, published a paper in the Medical Journal of Australia in 1961 showing that a review of old pathological records in London (going back to the beginning of the century) indicates so many cases of unrecognized lung cancer that any projected trends to present day are meaningless. The Surgeon General's report does not even mention the

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acknowledged fact that at least half of the reported U. S. lung cancer deaths are not specified as even originating in the lungs, which means they may have spread to the lungs from elsewhere in the body. This neglect is one of the most obvious and unexplained biases in the Report. What is the answer to these important questions?

The answer to some of these questions may be that there is probably constitutional difference between smokers and non-smokers. Perhaps the non-smoker is the one who also jumps into bed at the first sign of a cold, always wears rubbers on rainy days, etc. Even this is admitted by the Surgeon General's Report which indicates "Part may be due to constitutional and genetic differences between cigarette smokers and non-smokers... But, it is not unreasonable to speculate that the kind of men who become regular cigarette smokers are, to a moderate degree, less inherently able to survive to a ripe old age than non-smokers."

The recent report of the Dusseldorf Medical Academy about specific lung cancer cases came to the following conclusions: (1) "The average age of persons having bronchial cancer is the same for non-smokers, light smokers, or heavy smokers. (2) There is nothing to point to a connection between cigarette smoking and the increase in the kind of lung cancer being frequently seen; (3) The occupational group in which lung cancers are of least occurrence is the one with the heaviest smoking."

One final argument against the Report relates to the cancer "causing agents". The Report absolves nicotine from the blame, "...chronic toxicity of nicotine in quantities absorbed from smoking and other methods of tobacco use is very low and probably does not represent a significant health problem." Then, what is this agent and why hasn't it been found when over $1 billion have been poured

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into cancer research over the last decade? As the Report says, efforts to produce lung cancer, experimentally in animals, have failed. It is difficult for this writer to believe that while our scientists are on the verge of discovering the secrets of life itself that, if cigarettes were so at fault in causing cancer, the agent or agents could not be found. And if there is a causative agent in smoke itself, why would its effects not be shown in the many animal experiments that have been undertaken?

OUTLOOK

There is no doubt this Report has had a traumatic effect on the smoking public. It is our opinion that as a result the future of the industry will follow that of the English. As may be remembered, when the Royal College of Physicians issued their report in early 1962, smoking dropped 12% initially. For the year 1962, the British smoked 3.9% less cigarettes. However, estimates indicate that in 1963 their consumption will be about even with that of 1961. But, in the latter part of 1963, unit volume was hitting new highs on an annual basis.

It is also interesting to note that per capita consumption in the United States had been trending downwards from 1952 until the publication of reports tying cigarettes to lung cancer in 1954. This trend appeared to have reversed as the American public suddenly became cigarette conscious with per capita consumption increasing every year since 1954 with the sole exception of 1962. On this basis, it is our guess that unit volume may be off as much as 10%-15% in the first quarter of 1964. But it is significant that throughout 1963, when much attention was given to the discussion about smoking and health, the consumption of cigarettes increased about 3% above 1962. Thus, we feel that consumption will gradually recover.

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Unfortunately, statisticians appear to be attempting to take the place of qualified medical people in determining the causes of cancer. The greatest damage is that this detracts from the efforts that should be spent to find the real cause of cancer - an obvious and real danger to all of us.

CURRENT TOBACCO TRENDS

Cigarette sales in 1963 are estimated by the Agriculture Department to have hit new highs reaching 509 billion units domestically, up 2.9% over 1962. This compares with a 1.3% gain in 1962. Particularly interesting is that this gain was made despite substantial adverse publicity on the effects of smoking on health. Much of the gain centered in the filter area which now accounts for close to 59% of total consumption against 56% in 1962. It is our opinion that the HEW report will accelerate use of filters. However, analysts should carefully watch several diverse trends.

1. Mentholated filters increased 14% over 1962 while regular filters increased but 7%. Two (Paxton and Montclair) out of the three new major brands introduced this year were mentholated. Industry sources indicate that it would not be surprising to see Liggett & Meyers introduce a mentholated cigarette in 1964 to further broaden their line.

2. Charcoal filters appear to be a new fad in the industry. Liggett & Myers' Lark has had excellent reception with some analysts indicating a current sales rate of between 5 and 6 billion units. American Tobacco has recently modi-

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fied its advertising campaign on Dual Filter Tareyton to point up the fact that it was first in the field in 1958 and has introduced the charcoal filtered Carleton; additionally, its new Montclair also has a charcoal filter. Both Philip Morris' Saratoga as well as Brown & Williamson's Avalon are now in test markets and have charcoal filters. Some publicity has been given to this claim that use of charcoal filters lessens the effect of smoke on a smoker's cilia (small throat hairs).

3. The industry has noted with interest the amazing success of Brown & Williamson's coupon program, particularly the fast growth of Belair which again doubled in volume this year. As such, several companies are experimenting with a coupon program. Lorillard is on test market in the Denver-Salt Lake area with its Gift Stamp coupons on Old Gold filter and Spring. This is being done in conjunction with several other companies (Kleenex, Hills Coffee, etc.). Depending on the product purchased, each coupon is worth a certain number of points. Redemption centers are used in orders to obtain gifts. Philip Morris has now launched a coupon plan with Alpine. These coupons are redeemable for a wide range of premiums. While companies indicate that they intend to use this only on smaller brands, i.e. 2 billion units and under or declining brands, it may present several problems: (a) total advertising and promotion costs are higher, (b) when a brand reaches major size, it is difficult if not impossible, to take off the coupons, (c) it may become difficult to control and thus larger brands may be forced into it.

4. The industry is moving overseas. In the latter part of 1963 both Philip Morris and Lorillard indicated that they were acquiring firms in the Common Market. Lorillard has a joint company with Heintz van Landewyck of Luxembourg. Initially this company will manufacture Kent and Newports, but later will expand

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to other Lorillard brands. Philip Morris on the other hand has acquired a substantial interest in Fabriques de Tobac Reunies, S. A. of Switzerland. This company, since 1957 has manufactured Marlboro which is the number two brand in Switzerland. Other moves in this direction will probably be forthcoming from other companies in the industry.

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ESTIMATED DOMESTIC CIGARETTE CONSUMPTION by BRAND and COMPANY
(Billions of Units)

	Year - 1963	Year - 1962	% Change (a)
R. J. Reynolds			
Winston	69.4	64.0	+ 8.4
Salem	44.8	44.0	+ 1.8
Total Filters	114.2	108.0	+ 5.8
Camel	60.0	64.0	- 6.2
Brandon	.2	.3	--
Cavalier	--	--	--
Total Domestic	174.4	172.3	+ 1.2%
% Filters	65.5%	62.6%	
American Tobacco			
Dual Filter Tareyton	12.5	11.5	+ 8.7
Montclair	2.3	.2	--
Hit Parade	--	.1	--
Riviera	--	--	--
Total Filters	14.8	11.8	+25.4
Pall Mall	73.0	72.0	+ 1.4
Lucky Strike	36.0	39.7	- 9.3
Herbert Tareyton (king)	2.4	2.5	- 4.0
Total Domestic	126.2	126.0	+ .2%
% Filters	11.7%	9.4%	
P. Lorillard Co.			
Kent	37.1	36.4	+ 1.9
Newport	9.0	8.2	+ 9.8
Old Gold	5.1	5.0	+ 2.0
Spring	1.3	.9	--
Total Filters	52.5	50.5	+ 4.0
York (king)	1.2	1.2	--
Old Gold (king)	1.1	1.2	- 8.3
Old Gold (regular)	.9	1.2	-25.0
Total Domestic	55.7	54.1	+ 3.0%
% Filters	94.3%	93.3%	
Brown & Williamson			
Viceroy	18.9	17.7	+ 6.8
Kool	13.0	11.2	+ 16.1
Raleigh	9.4	7.6	+ 23.7
Belair	4.8	2.3	+108.7
Life	.4	.1	--
du Maurier	.1	.1	--
Kentucky King	Out	.1	--
Total Filters	46.6	39.1	+ 19.2

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	Year - 1963	Year - 1962	% Change (a)
Brown & Williamson-Cont'd.			
Raleigh (king).....	3.6	3.4	+ 5.9
Kool (regular).....	3.0	3.2	- 9.4
Wings.....	.2	.2	--
Total Domestic....	53.4	45.9	+16.3%
% Filters.....	87.3%	85.2%	
Liggett & Myers			
L & M.....	27.2	26.2	+ 3.8
Lark.....	1.6	--	--
Oasis.....	.6	.8	--
Duke.....	.1	.1	--
Total Filters.....	29.5	27.1	+ 8.9
Chesterfield (king)....	10.8	11.0	- 1.8
Chesterfield (regular).	9.0	10.0	-10.0
Fatima.....	.1	.1	--
Total Domestic....	49.4	48.2	+ 2.5%
% Filters.....	59.7%	56.2%	
Philip Morris			
Marlboro.....	25.4	24.8	+ 2.4
Parliament.....	10.1	10.0	+ 1.0
Alpine.....	2.3	2.5	- 8.0
Paxton.....	2.0	---	--
Benson Hedges.....	.8	.8	--
Spud.....	.05	.05	--
Total Filters.....	40.65	38.15	+ 6.6
Philip Morris (king)...	4.2	4.2	--
Philip Morris (regular)	3.2	3.8	-15.8
Gauloises.....	.05	.05	--
Total Domestic....	48.10	46.20	+ 4.1%
% Filters.....	84.5%	82.6%	
U. S. Tobacco Co.			
King Sano.....	.7	.7	--
Encore.....	--	--	--
Total Filters.....	.7	.7	--
King Sano (regular)....	--	--	--
Total Domestic....	.7	.7	--
% Filters.....	100.0%	100.0%	
Larus & Brother			
Holiday.....	.1	.1	--
Domino.....	.5	.5	--
Total Domestic....	.6	.6	--
% Filters.....	16.7%	16.7%	

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	Year - 1963	Year - 1962	% Change (a)
Stephano Brothers			
Marvels.....	.5	.5	--
Vogue.....	--	--	--
Total Domestic....	.5	.5	--
TOTAL.....	509.0 (b)	494.5 (b)	+ 2.9%

(a) Percentage change - not computed for brands selling under 1 billion units in 1962.
(b) Totals are estimates of U.S.D.A.

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ESTIMATED DOMESTIC CIGARETTE CONSUMPTION by TYPE and BRAND
(Billions of Units)

	1963			1962		
Plain Filters	Units	%	% of Total Market	Units	%	% of Total Market
Winston	69.4	31.7%	13.6%	64.0	31.1%	12.9%
Kent	37.1	16.9	7.3	36.4	17.7	7.4
L & M	27.2	12.4	5.4	26.2	12.8	5.3
Marlboro	25.4	11.6	5.0	24.8	12.0	5.0
Viceroy	18.9	8.6	3.7	17.7	8.6	3.6
Dual Filter Tareyton	12.5	5.7	2.5	11.5	5.6	2.3
Parliament	10.1	4.6	2.0	10.0	4.9	2.0
Raleigh	9.4	4.3	1.9	7.6	3.7	1.6
Old Gold	5.1	2.3	1.0	5.0	2.4	1.0
Lark	1.6	.7	.3	--	--	--
Benson Hedges	.8	.4	.2	.8	.4	.2
King Sano	.7	.3	.1	.7	.3	.2
Life	.4	.2	--	.1	.1	--
Duke	.1	.1	--	.1	.1	--
du Maurier	.1	.1	--	.1	.1	--
Holiday	.1	.1	--	.1	.1	--
Encore	--	--	--	--	--	--
Hit Parade	--	--	--	.1	--	--
Kentucky Kings	--	--	--	.1	.1	--
Vogue	--	--	--	--	--	--
Total	218.9	100.0%	43.0%	205.3	100.0%	41.5%
Mentholated Filters						
Salem	44.8	55.9%	8.8%	44.0	62.7%	8.9%
Kool	13.0	16.2	2.5	11.2	16.0	2.3
Newport	9.0	11.2	1.7	8.2	11.7	1.7
Belair	4.8	6.0	.9	2.3	3.2	.5
Alpine	2.3	2.9	.5	2.5	3.6	.5
Montclair	2.3	2.9	.5	.2	.3	--
Paxton	2.0	2.5	.4	--	--	--
Spring	1.3	1.6	.3	.9	1.3	.2
Oasis	.6	.7	.1	.8	1.1	.1
Spud	.05	.1	--	.05	.1	--
Riviera	--	--	--	--	--	--
Total	80.15	100.0%	15.7%	70.15	100.0%	14.2%

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Regular	1963 Units	1963 %	1963 % of Total Market	1962 Units	1962 %	1962 % of Total Market
Camel	60.0	53.5%	11.8%	64.0	52.4%	12.9%
Lucky Strike	36.0	32.1	7.1	39.7	32.5	8.0
Chesterfield	9.0	8.0	1.8	10.0	8.2	2.0
Philip Morris	3.2	2.8	.6	3.8	3.1	.8
Kool	3.0	2.7	.6	3.2	2.6	.7
Old Gold	.9	.8	.2	1.2	1.0	.3
Fatima	.1	.1	--	.1	.1	--
Gauloises	.05	--	--	.05	.1	--
King Sano	--	--	--	--	--	--
Total	112.25	100.0%	22.1%	122.05	100.0%	24.7%
King						
Pall Mall	73.0	74.7%	14.3%	72.0	74.2%	14.6%
Chesterfield	10.8	11.1	2.1	11.0	11.3	2.2
Philip Morris	4.2	4.3	.8	4.2	4.3	.8
Raleigh	3.6	3.7	.7	3.4	3.5	.7
Herbert Tareyton	2.4	2.5	.5	2.5	2.6	.5
York	1.2	1.2	.2	1.2	1.3	.2
Old Gold	1.1	1.1	.2	1.2	1.3	.2
Domino	.5	.5	.1	.5	.5	.1
Marvels	.5	.5	.1	.5	.5	.1
Brandon	.2	.2	.1	.3	.3	.1
Wings	.2	.2	.1	.2	.2	.1
Cavalier	--	--	--	--	--	--
Total	97.7	100.0%	19.2%	97.0	100.0%	19.6%
Grand Total	509.0		100.0%	494.5		100.0%

COMPARISON OF YEAR 1963 WITH YEAR 1962

Type	1963	%	1962	%	% Increase
Plain Filter	218.90	43.0%	205.30	41.5%	6.6%
Mentholated Filter	80.15	15.7	70.15	14.2	14.3
Regular	112.25	22.1	122.05	24.7	(8.0)
King	97.70	19.2	97.00	19.6	.7
Total	509.0	100.0%	494.50	100.0%	2.9

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PM3003572264

Source: https://www.industrydocuments.ucsf.edu/docs/ksmj0001

ESTIMATED DOMESTIC CIGARETTE CONSUMPTION by BRAND and TYPE
(Billions of Units)

YEAR - 1963

	Total	Filter	Mentholated Filter	Regular	King
Pall Mall.....	73.0	--	--	--	73.0
Winston.....	69.4	69.4	--	--	--
Camel.....	60.0	--	--	60.0	--
Salem.....	44.8	--	44.8	--	--
Kent.....	37.1	37.1	--	--	--
Lucky Strike.....	36.0	--	--	36.0	--
L & M.....	27.2	27.2	--	--	--
Marlboro.....	25.4	25.4	--	--	--
Chesterfield.....	19.8	--	--	9.0	10.8
Viceroy.....	18.9	18.9	--	--	--
Kool.....	16.0	--	13.0	3.0	--
Herbert Tareyton.	14.9	12.5	--	--	2.4
Raleigh.....	13.0	9.4	--	--	3.6
Parliament.....	10.1	10.1	--	--	--
Newport.....	9.0	--	9.0	--	--
Philip Morris....	7.4	--	--	3.2	4.2
Old Gold.....	7.1	5.1	--	.9	1.1
Belair.....	4.8	--	4.8	--	--
Alpine.....	2.3	--	2.3	--	--
Montclair.....	2.3	--	2.3	--	--
Paxton.....	2.0	--	2.0	--	--
Lark.....	1.6	1.6	--	--	--
Spring.....	1.3	--	1.3	--	--
York.....	1.2	--	--	--	1.2
Benson Hedges....	.8	.8	--	--	--
King Sano.....	.7	.7	--	--	--
Oasis.....	.6	--	.6	--	--
Domino.....	.5	--	--	--	.5
Marvels.....	.5	--	--	--	.5
Life.....	.4	.4	--	--	--
Brandon.....	.2	--	--	--	.2
Wings.....	.2	--	--	--	.2
Duke.....	.1	.1	--	--	--
du Maurier.....	.1	.1	--	--	--
Fatima.....	.1	--	--	.1	--
Holiday.....	.1	.1	--	--	--
Gauloises.....	.05	--	--	.05	--
Spud.....	.05	--	.05	--	--
Cavalier.....	--	--	--	--	--
Encore.....	--	--	--	--	--
Hit Parade.....	--	--	--	--	--
Riviera.....	--	--	--	--	--
Vogue.....	--	--	--	--	--
Total.....	509.0	218.9	80.15	112.25	97.7
%.....	100.0%	43.0%	15.7%	22.1%	19.2%

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Source: https://www.industrydocuments.ucsf.edu/docs/ksmj0001

ESTIMATED CIGARETTE OUTPUT by COMPANY - 1963
(Billions of Units)

Company	Domestic	Export	Total	% of Domestic Market
R. J. Reynolds.....	174.4	12.0	186.4	34.3%
American Tobacco.....	126.2	5.3	131.5	24.8
P. Lorillard Co.....	55.7	2.3	58.0	10.9
Brown & Williamson.....	53.4	6.8	60.2	10.5
Liggett & Myers.....	49.4	9.4	58.8	9.7
Philip Morris.....	48.1	4.7	52.8	9.4
U. S. Tobacco Co.....	.7	.1	.8	.2
Larus & Brother.....	.6	.2	.8	.1
Stephano Brothers.....	.5	.2	.7	.1
Total.....	509.0	41.0	550.0	100.0%

ESTIMATED CIGARETTE OUTPUT by COMPANY - 1962
(Billions of Units)

	Domestic	Export	Total	% of Domestic Market
R. J. Reynolds.....	172.4	11.0	183.4	34.9%
American Tobacco.....	126.1	6.3	132.4	25.5
P. Lorillard Co.....	53.9	2.4	56.3	10.9
Liggett & Myers.....	48.2	9.6	57.8	9.7
Philip Morris.....	46.2	4.5	50.7	9.3
Brown & Williamson.....	45.9	6.7	52.6	9.3
U. S. Tobacco Co.....	.7	.1	.8	.2
Larus & Brother.....	.6	.2	.8	.1
Stephano Brothers.....	.5	.2	.7	.1
Total.....	494.5	41.0	535.5	100.0%

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Source: https://www.industrydocuments.ucsf.edu/docs/ksmj0001

COMPARATIVE FINANCIAL DATA

	Recent Price	1962 Earnings	Est.1963 Earnings	P/E 1963	Ind. Div.	Yield
R. J. Reynolds	$39	$2.97	$3.10	12.6	$1.80	4.6%
American Tobacco	27	2.36	2.45	11.0	1.60	5.9
P. Lorillard Co.	42	3.94	4.20	10.0	2.50	6.0
Liggett & Myers	73	6.14	5.90	12.4	5.00	6.8
Philip Morris	68	5.85	5.90	11.5	3.60	5.3

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HISTORICAL TRENDS

R. J. Reynolds	1961	1960	1959	1958	1957	1956
Winston	58.8	52.4	47.4	42.7	40.1	34.0
Salem	41.2	34.6	28.5	19.6	11.8	4.0
Total Filters	100.0	87.0	75.9	62.3	51.9	38.0
Camel	66.1	66.0	65.1	63.5	63.8	69.3
Cavalier	.2	.2	.3	.3	.6	1.0
Brandon	----	----	----	----	----	----
Total Domestic	166.3	153.2	141.3	126.1	116.3	108.3

American Tobacco						
Dual Filter Tareyton	10.9	9.2	7.7	4.0	3.5	3.5
Hit Parade	.2	.5	1.3	2.8	4.5	1.8
Riviera	.2	.3	.2	----	----	----
Montclair	----	----	----	----	----	----
Total Filters	11.3	10.0	9.2	6.8	8.0	5.3
Pall Mall	71.0	66.3	62.5	58.7	55.0	56.0
Lucky Strike	41.2	42.0	44.0	47.8	51.2	55.5
Herbert Tareyton (king)	2.6	2.7	3.0	3.5	4.2	5.4
Total Domestic	126.1	121.0	118.7	116.8	118.4	122.2

P. Lorillard Co.						
Kent	35.2	35.7	36.6	36.5	15.1	3.4
Newport	7.2	5.6	4.7	3.0	.9	----
Old Gold	4.9	5.1	5.5	5.5	6.0	5.8
Spring	.8	.7	----	----	----	----
Total Filters	48.1	47.1	46.8	45.0	22.0	9.2
Old Gold (regular)	1.8	2.5	3.4	5.5	7.2	9.1
Old Gold (king)	1.4	1.6	1.6	2.2	2.3	3.0
York (king)	.2	----	----	----	----	----
Total Domestic	51.5	51.2	51.8	51.7	31.5	21.3

Brown & Williamson						
Viceroy	17.9	19.5	19.8	20.9	24.5	23.2
Kool	10.6	9.8	8.6	8.2	6.6	----
Raleigh	6.7	5.6	4.4	3.5	----	----
Belair	.7	.7	.1	----	----	----
Kentucky King	.4	.8	----	----	----	----
Life	.2	.4	.7	----	----	----
du Maurier	.1	.1	.1	.2	.1	.1
Total Filters	36.6	36.9	33.7	32.8	31.2	23.3
Kool (regular)	3.6	3.8	4.1	4.9	5.8	7.5
Raleigh (king)	3.3	3.2	3.2	3.4	6.6	7.1
Wings	.3	.2	.3	.4	.4	.4
Kool (king)	----	----	----	----	----	----
Total Domestic	43.8	44.1	41.3	41.5	44.0	42.9

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Source: https://www.industrydocuments.ucsf.edu/docs/ksmj0001

Liggett & Myers	1961	1960	1959	1958	1957	1956
L & M	25.8	26.0	26.3	26.1	25.8	20.2
Oasis	1.3	1.6	1.8	1.4	.9	----
Duke	.3	.5	1.0	----	----	----
Lark	----	----	----	----	----	----
Total Filters	27.4	28.1	29.1	27.5	26.7	20.2
Chesterfield (regular)	13.1	14.9	16.7	19.0	21.8	27.5
Chesterfield (king)	12.3	12.0	10.6	10.7	10.0	12.5
Fatima	.1	.1	.1	.1	.2	.2
Total Domestic	52.9	55.1	56.5	57.3	58.7	60.4

Philip Morris						
Marlboro	24.1	22.0	20.4	20.7	19.5	14.3
Parliament	9.4	8.9	9.0	6.5	2.0	1.8
Alpine	2.5	2.6	1.0	----	----	----
Benson Hedges	.7	.6	.6	.6	.9	.1
Spud	.1	.2	.3	.3	.3	.4
Paxton	----	----	----	----	----	----
Total Filters	36.8	34.3	31.3	28.1	22.7	16.6
Philip Morris (regular)	4.6	5.5	6.6	7.8	10.0	13.5
Philip Morris (king)	3.8	3.8	3.8	4.4	5.0	5.5
Gauloises	.1	----	----	----	----	----
Total Domestic	45.3	43.6	41.7	40.3	37.7	35.6

U. S. Tobacco Co.						
King Sano	.53	.47	.55	.55	.5	.45
Encore	.17	.03	.05	.05	.05	.05
Total Filters	.70	.50	.60	.60	.55	.50
King Sano	-----	-----	-----	-----	-----	-----
Total Domestic	.70	.50	.60	.60	.55	.50

Larus & Brother						
Domino	.65	.65	.85	.85	.80	.7
Holiday	.2	.2	.35	.35	.35	.3
Total Domestic	.85	.85	1.20	1.20	1.15	1.0

Stephano Brothers						
Marvels	.6	.5	.55	.6	.6	.6
Vogue	.05	.05	.05	.08	.1	.05
Total Domestic	.65	.55	.60	.68	.7	.65

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Source: https://www.industrydocuments.ucsf.edu/docs/ksmj0001

The recently released Report of the Advisory Committee to Surgeon General Terry states that cigarettes are a health hazard sufficient to warrant "appropriate remedial action". But the Committee doesn't recommend what the Federal Trade Commission proposes - namely that cigarette packages should carry health warnings. What happens now? Are people really going to give up smoking? Is further study really necessary as recommended by industry spokesmen and others, including the American Medical Association? Before answering these questions, it would be wise to look behind the scenes.

It should be pointed out - and few others have - that the Terry Committee did not keep faith with the tobacco industry or the public. First, the original purpose of the Report was to examine the ".... aspects of air pollution, and all pertinent characteristics of the external and internal environments and make-up of human beings," as well as the effects of smoking. Somewhere along the way this approach was discarded and only tobacco, especially cigarettes, became the main object of study.

Yet, a recent seven-year German study, soon to be published, shows that air pollution by industrial and auto exhaust may be much more of a factor than smoking in producing cancer. This study is based, not on statistics, but on actual study of lung cancer cases! Thus, a major factor may have been overlooked by the Terry group.

Second, there was supposed to be a Second Phase in which recommendations for action were to be considered. As the report points out ".... it was recognized that different competencies would be needed in the second phase and that many

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Reggio Tobacco	1961	1960	1959	1958	1957	1956
Regent.....	----	----	----	.22	.4	.35
U.S.D.A. TOTAL.....	488.1	470.1	453.7	436.4	409.4	393.2

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ESTIMATED DOMESTIC CIGARETTE CONSUMPTION by BRAND and TYPE
(Billions of Units)

YEAR - 1962

	Total	Plain Filter	Mentholated Filter	Regular	King
Pall Mall.....	72.0	--	--	--	72.0
Camel.....	64.0	--	--	64.0	--
Winston.....	64.0	64.0	--	--	--
Salem.....	44.0	--	44.0	--	--
Lucky Strike....	39.7	--	--	39.7	--
Kent.....	36.4	36.4	--	--	--
L & M.....	26.2	26.2	--	--	--
Marlboro.....	24.8	24.8	--	--	--
Chesterfield....	21.0	--	--	10.0	11.0
Viceroy.....	17.7	17.7	--	--	--
Kool.....	14.4	--	11.2	3.2	--
Herbert Tareyton	14.0	11.5	--	--	2.5
Raleigh.....	11.0	7.6	--	--	3.4
Parliament.....	10.0	10.0	--	--	--
Newport.....	8.2	--	8.2	--	--
Philip Morris...	8.0	--	--	3.8	4.2
Old Gold.....	7.4	5.0	--	1.2	1.2
Alpine.....	2.5	--	2.5	--	--
Belair.....	2.3	--	2.3	--	--
York.....	1.2	--	--	--	1.2
Spring.....	.9	--	.9	--	--
Benson Hedges...	.8	.8	--	--	--
Oasis.....	.8	--	.8	--	--
King Sano.....	.7	.7	--	--	--
Domino.....	.5	--	--	--	.5
Marvels.....	.5	--	--	--	.5
Brandon.....	.3	--	--	--	.3
Montclair.....	.2	--	.2	--	--
Wings.....	.2	--	--	--	.2
Life.....	.1	.1	--	--	--
Duke.....	.1	.1	--	--	--
Hit Parade.....	.1	.1	--	--	--
Kentucky Kings..	.1	.1	--	--	--
Holiday.....	.1	.1	--	--	--
du Maurier.....	.1	.1	--	--	--
Fatima.....	.1	.1	--	.1	--
Gauloises.....	.05	--	--	.05	--
Spud.....	.05	--	.05	--	--
Cavalier.....	--	--	--	--	--
Encore.....	--	--	--	--	--
Riviera.....	--	--	--	--	--
Vogue.....	--	--	--	--	--
Total.....	494.50	205.30	70.15	122.05	97.00
%.....	100.0%	41.5%	14.2%	24.7%	19.6%

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